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FISCAL IMPACT STATEMENT

LS 6544

BILL NUMBER: HB 1089

NOTE PREPARED: Dec 30, 2010

BILL AMENDED:

SUBJECT: Referenda on Hospital Bonds and Leases.

FIRST AUTHOR: Rep. Rhoads

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill requires a referendum on a capital project of a local hospital authority or corporation in Dearborn County, Harrison County, Orange County, Switzerland County, or Ohio County if: (1) money from a riverboat is reasonably expected to be used to pay the cost of the project; (2) property taxes are pledged to pay debt or lease payments if other funds are insufficient to pay the obligations; and (3) the referendum is requested by at least 100 property owners or 5% of the registered voters residing within the political subdivision.

Effective Date: Upon passage.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: Under current law, a public building project funded with property taxes is considered a controlled project if it will cost the political subdivision more than the lesser of (1) \$2 M or (2) an amount equal to 1% of the total gross assessed value of property within the political subdivision on the last assessment date (if that amount is at least \$1 M). A project is not a controlled project if property taxes are pledged only as a backup revenue source.

Under this bill, a hospital authority's capital project in Dearborn, Harrison, Orange, Switzerland, or Ohio County would be subject to the referendum process if (1) the cost meets the controlled project test, (2) funding will come from riverboat revenue, and (3) property taxes are pledged as a backup revenue source. This provision would apply to projects authorized after May 8, 2011.

The hospital authority would have to hold a public hearing on the matter. After the hospital authority issues a preliminary determination to issue bonds or enter into a lease, a referendum may be requested through a petition filed by the lesser of (A) 100 property owners or (B) 5% of the registered voters.

If requested, a referendum would be held in the next primary, general, or municipal election held after the referendum question is certified. However, if the next election is more than one year away, the hospital authority may request a special election. The hospital authority would pay all costs of holding a special election.

Hospital authorities could have a small increase in costs associated with hearings and notices under this bill.

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Hospital authorities in Dearborn, Harrison, Orange, Switzerland, and Ohio Counties.

Information Sources:

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